

State of Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

MICHAEL R. STYLER Executive Director JOHN R. BAZA Division Director

Inspection Report Minerals Regulatory Program August 23, 2012

| Reviewed: | MAS |
|-----------|-----|
| | |

| Mine Name: Lost Sheep Mine | Permit Number: S/023/0029 | |
|--|-----------------------------------|--|
| Operator Name: Michael Provstgaard | Inspection Date: August 23, 2012 | |
| Inspector(s): Wayne Western | Time: 3:00 – 3:35 pm | |
| Other Participants: none | Mine Status: ACT | |
| Weather Condition: Clear skies and hot | Last Inspection: October 26, 2011 | |
| Bond Renewal Date: March 13, 2015 | Bond Amount: \$11,400.00 | |
| Surface Ownership: BLM | Mineral Ownership: BLM | |
| Last Year of Production: no production since permitted in 2009 | Acreage: 2 Acres | |

| | Elements of Inspection | Evaluated | Comment | Enforcement |
|-----|---|-------------|---------|-------------|
| 1. | Permits, Revisions, Transfer, | \boxtimes | | |
| 2. | Bond/Bond Release | | | |
| 3. | Annual Fees | | | |
| 4. | Annual Report | | | |
| 5. | Public Safety (shafts, adits, trash, signs, highwalls) | | | |
| 6. | Protection of Drainages / Erosion Control | | | |
| 7. | Deleterious Material | | | |
| 8. | Roads (maintenance, surfacing, dust control, safety) | | | |
| 9. | Concurrent Reclamation | | | |
| 10. | Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes) | | | |
| 11. | Water Impoundments | | | |
| 12. | Soils | | | |
| 13. | Re-vegetation | | | |
| 14. | Air Quality | | | |
| 15 | Other | | | |

Purpose of Inspection:

This was a routine inspection.

Inspection Summary:

Bond, permit fees and annual reports are all current.

Rule R647-3-113.4 requires that the Operator provide written notice if mining is suspended for more than five years. If no mining occurs in 2012 then the Operator must inform the Division of the suspension of mining activities.

Inspection Date: August 23, 2012

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Not much has changed since the last inspection. The site is stable and secured.

Conclusions and Recommendations:

The main concern is lack of activity on the site and the future need for reclamation is no mining occurs.

Directions to Site:

Inspector's Signature Ways Wulter
WHW:

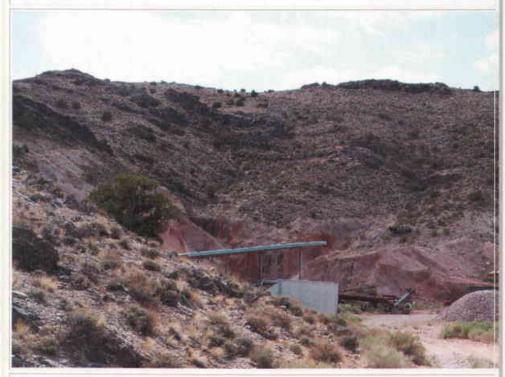
WHW:

cc: (OPERATOR) Jerry Mansield

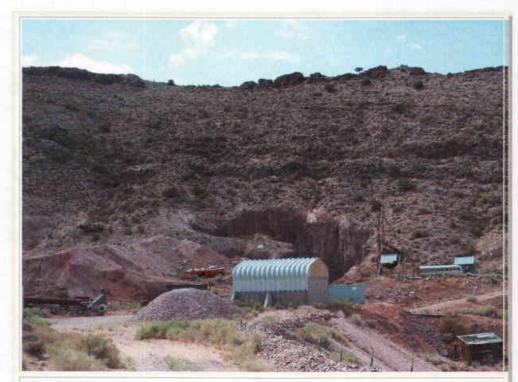
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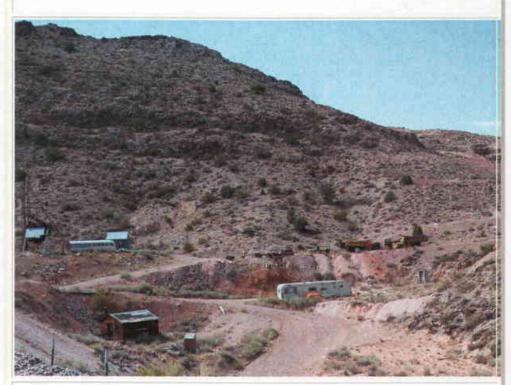
Proof of labor on the claims



Mine site looking west



Mine site



Mine site from entrance